

## 2008 Instructions for Form 990

### (Core Form)

#### Part IV Checklist of Required Schedules

For each “Yes” answer to a line in Form 990, Part IV, complete the applicable schedule (or part or line of the schedule). See the Glossary and instructions for the pertinent schedules for definitions of terms and explanations that are relevant to questions in this part.

The organization is not required to answer “Yes” to a line in Form 990, Part IV and complete the schedule (or Part of a Schedule) to which the question is directed if the organization is not required to provide any information in the schedule (or Part of the Schedule). Thus, a minimum dollar threshold for reporting information in a Schedule may be relevant in determining whether the organization must answer “Yes” to a line in Form 990, Part IV.

**Line 1. Schedule A, Public Charity Status and Public Support.** Answer “Yes” if the organization is a section 501(c)(3) or 4947(a)(1) organization that is not a **private foundation**. Answer “Yes” if the organization claims section 501(c)(3) status but has not yet filed a Form 1023 application or received a determination letter recognizing its 501(c)(3) status. All other organizations answer “No.”

**Line 2. Schedule B, Schedule of Contributors.** Answer “Yes” if any of the following are satisfied:

- A section 501(c)(3) organization that met the 33⅓% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) (in such case, the organization must check “Yes” on Schedule A, Part II, line 16a or 16b), and received from any one contributor, during the year, **contributions** of the greater of \$5,000 (in money or property) or 2% of the amount on line 1h of Form 990, Part VIII.
- A section 501(c)(3) organization that did not meet the 33⅓% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received during the year **contributions** of \$5,000 or more from any one contributor.
- A section 501(c)(7), (8), or (10) organization that received, during the year, **contributions** of any amount for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals, or **contributions** of \$5,000 or more not exclusively for such purposes from any one contributor.
- Any other organization that received, during the year, **contributions** of \$5,000 or more from any one contributor.

**Line 3. Political campaign activities.** All organizations must answer this question, even if they are not subject to a prohibition against **political campaign activities**. Answer “yes” whether the activity was conducted directly or indirectly through a **disregarded entity** or a **joint venture** or other arrangement that is taxed as a partnership and in which the organization is an owner.

**Line 4. Lobbying activities.** Complete only if the organization is a section 501(c)(3) organization. Other organizations leave this line blank.

**Line 5. Section 6033(e) notice, reporting and proxy tax.** Complete only if the organization is a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19. Other organizations leave this line blank.

**Line 6. Donor advised funds and other similar funds or accounts.** Answer "Yes," if the organization maintained at any time during the organization's tax year a **donor advised fund** or another similar fund or account (that is, any account over which a donor or person appointed by the donor had advisory privileges with respect to the use or investment of any portion of the account, but which does not constitute a **donor advised fund**). Examples of other similar funds or accounts include, but are not limited to, the types of funds or accounts described as exceptions to the glossary definition of a **donor advised fund**.

**Line 7. Conservation easements.** Answer "Yes," if the organization received or held any **conservation easement** at any time during the year, regardless of how the organization acquired the easement or whether a charitable deduction was claimed by a donor of the easement.

**Line 8. Collections of works of art and similar assets.** Answer "Yes" if at any time during the year the organization maintained collections of **works of art, historical treasures**, or other similar assets as described within SFAS 116, regardless of whether the organization reported revenues and assets relating to such collections in its financial statements. Organizations that answer "Yes" to this question often will answer "Yes" to Part IV, line 30, which addresses current-year **contributions** of such items.

**Line 9. Escrow account liability, custodial arrangements, or credit counseling.** Answer "Yes" if at any time during the organization's tax year the organization (1) had an **escrow or custodial account**, or (2) provided **credit counseling services** and/or **debt management plan services** such as credit repair or debt negotiations.

**Line 10. Endowments.** Answer "Yes" if the organization, a **related organization**, or an organization formed and maintained exclusively to further one or more exempt purposes of the organization (such as a foundation formed and maintained exclusively to hold **endowment** funds to provide scholarships and other funds for a college or university described within section 501(c)(3)), held assets in **term endowment, permanent endowment, or quasi endowment** funds at any time during the year, regardless of whether the organization follows SFAS 117 and reports **endowments** in Part X, line 32. See Schedule D (Supplemental Financial Statements), Part V, Instructions for the definitions of these types of **endowments**.

**Line 11. Schedule D items.** Answer "Yes" if the organization reported an amount for land, buildings and equipment, investments-other securities, investments-program related, other assets, or other liabilities, in Part X, lines 10, 12, 13, 15, or 25.

**Line 12. Audited financial statements.** Answer "Yes" if the organization received an **audited financial statement** prepared in accordance with **generally accepted accounting principles** for the year for which it is completing this return. All other organizations answer "No." Do not answer "Yes" if the organization was included in a consolidated audited financial statement unless the organization also received a separate **audited financial statement**.

An accountant's **compilation** or **review of financial statements** is not considered to be an audit, and does not produce an **audited financial statement**. If the organization answers "No" but has prepared, for the year for which it is completing this return, a financial statement that was not audited, then the organization may (but is not required to) provide the reconciliations contained in Schedule D (Supplemental Financial Statements), Parts XI-XIII.

**Line 13. Schools.** Answer "Yes" if the organization checked the box on line 2 of Schedule A (Public Charity Status and Public Support), Part I indicating that it is a **school**.

**Lines 14-16. Activities outside the United States.** Answer "Yes" to the question in line 14a if the organization maintained an office, or had employees or agents, outside the **United States**. Answer "Yes" to the question in line 14b if the organization had aggregate revenues or expenses of more than \$10,000 from or attributable to grantmaking, fundraising, business, and program service activities outside the **United States**. An organization that answers "Yes" to line 14a should only complete Schedule F (Statement of Activities Outside the United States) if it satisfies one or more of the dollar thresholds described in lines 14b, 15, or 16 and answers "Yes" to any of those questions.

**Lines 17-19. Professional Fundraising or Gaming.** Answer "Yes" to the question in line 18 if the sum of the amounts reported on lines 1c and 8a of Form 990, Part VIII exceeds \$15,000. An organization that answers "No" should consider whether to complete Schedule G (Supplemental Information Regarding Fundraising or Gaming Activities) in order to report its **fundraising activities** or **gaming** activities for state or other reporting purposes.

**Line 20. Hospitals.** Answer "Yes" if the organization, directly or indirectly through a **disregarded entity** or **joint venture** taxed as a partnership, operated any **facility** that at any time during the year was, or was required to be, licensed, registered, or similarly recognized by a state as a **hospital**. Except in the case of a **group return**, do not include **facilities** operated by another organization that is treated as a separate taxable or tax-exempt corporation for federal income tax purposes. For **group returns**, answer "Yes" if any affiliate included within the group return operated such a **facility**.

**Lines 21-22. Grantmaking.** Answer "Yes" if the organization reported more than \$5,000 on Part IX, line 1, or more than \$5,000 on Part IX, line 2.

**TIP:** Organizations that answer "No" to lines 21 and 22 should consider whether to complete Schedule I (Grants and Other Assistance to Organizations, Governments and Individuals in the U.S.) in order to report the provision of **grants or other assistance** in the **United States** for state or other reporting purposes.

**Line 23. Compensation Information.** The organization is required to complete Part VII on pages 7 and 8. Answer "Yes" to line 23 if the organization (a) listed in Part VII a **former officer, director, trustee, key employee, or highest compensated employee**; or (b) reported for any person listed in Part VII more than \$150,000 of **reportable compensation** and other **compensation**. Also answer "Yes" to line 23 if, under the circumstances described in the instructions to Part VII, Section A, line 5, the filing organization had knowledge that any person listed in Part VII, Section A received or accrued **compensation** from an **unrelated organization** for services rendered to the filing organization.

**Line 24. Tax-exempt bonds.** Lines 24a through 24d involve questions regarding **tax-exempt bonds**. All organizations must answer “Yes” or “No” in line 24a. Those organizations that answer “Yes” in line 24a must also answer lines 24b through 24d and complete Schedule K (Supplemental Information on Tax Exempt Bonds). Those that answer “No” to line 24a may skip to line 25.

**Line 24a. Tax-exempt bonds.** Answer “Yes” and complete Schedule K (Supplemental Information on Tax Exempt Bonds) for each **tax-exempt bond** issued after December 31, 2002 (including refunding bonds) with an outstanding principal amount of more than \$100,000 as of the last day of the organization’s tax year.

**Line 24b. Temporary period exception.** For purposes of line 24b, the organization need not include the following as investments of **proceeds**: any investment of **proceeds** relating to a reasonably required reserve or replacement fund as described in section 148(d); any investment of **proceeds** properly characterized as replacement **proceeds** as defined in section 1.148-1(c); any investment of net **proceeds** relating to a **refunding escrow** as defined in section 1.148-1(b). Temporary period exceptions are described in sections 148(c) and 1.148-2(e). For example, there is a 3-year temporary period applicable to **proceeds** spent on expenditures for capital projects and a 13-month temporary period applicable to **proceeds** spent on working capital expenditures.

**Line 24c. Escrow accounts.** For purposes of line 24c, the organization is treated as maintaining an escrow account if such account is maintained by a trustee with respect to **tax-exempt bonds** issued for the benefit of the organization.

**Line 24d. “On behalf of” issuances.** Answer “Yes” if the organization has received an advance ruling that its obligations were issued on behalf of a State or local governmental unit (See Rev. Proc. 82-26, 1982-1 C.B. 476), meets the conditions for issuing **tax-exempt bonds** as set forth in Rev. Rul. 63-20, 1963-1 C.B. 24, or is a constituted authority organized by a State or local **governmental unit** specifically to issue **tax-exempt bonds** in order to further public purposes (See Rev. Proc. 57-187, 1957-1 C.B. 65). Also answer “Yes” if the organization has outstanding qualified scholarship funding bonds under section 150(d) or bonds of a qualified volunteer fire department under section 150(e).

**Lines 25a and 25b. Excess benefit transactions.** Organizations not described in section 501(c)(3) or 501(c)(4) are to skip lines 25a and 25b and leave them blank. All section 501(c)(3) and 501(c)(4) organizations are required to complete lines 25a and 25b by answering “Yes” or “No.”

**TIP:** An **excess benefit transaction** may have serious implications for the **disqualified person** that entered into the transaction with the organization, any **organization managers** that knowingly approved of the transaction, and the organization itself. A section 501(c)(3) or 501(c)(4) organization that becomes aware that it may have engaged in an **excess benefit transaction** should obtain competent advice regarding section 4958, consider pursuing correction of any excess benefit, and take other appropriate steps to protect its interests with regard to such transaction and the potential impact it could have on the organization’s continued exempt status. See Appendix G for a discussion of section 4958, and Schedule L (Transactions with Interested Persons), Part I, regarding reporting of **excess benefit transactions**.

**Lines 26-28. Transactions with interested persons.** Lines 26 through 28 ask questions about loans from the organization to certain interested persons (or vice-versa), grants and other financial assistance provided by the organization to certain interested persons, and certain direct and indirect business transactions involving current or former governance and management officials of the organization or their associated businesses or **family members**. All organizations must answer these questions. The organization should review carefully the instructions to Schedule L (Transactions with Interested Persons), Parts II through IV before answering these questions and completing Schedule L.

**Line 29. Non-cash contributions.** The organization is required to answer "Yes" to the question in line 29 if it received during the year more than \$25,000 in value of donations, gifts, grants or other **contributions** of property other than cash, regardless of the manner received (such as for use in a charity auction). Do not include contributions of services or use of facilities.

**Line 30. Contributions of art, historical treasures and similar assets, and conservation easements.** The organization is required to answer "Yes" to the question in line 30 if during the year it received as a donation, gift, grant or other **contribution** (a) any **work of art, historical treasure**, historical artifact, scientific specimen, archeological artifact, or similar asset, including a fractional interest, regardless of amount or whether the organization maintains collections of such items; or (b) any **conservation easements** regardless of whether the contributor claimed a charitable contribution deduction for such contribution. See the Instructions to Schedule M (Non-Cash Contributions) for definitions of these terms.

**Lines 31 and 32. Liquidations, terminations, dissolutions, cessation of operations, and significant dispositions of assets.** The organization must answer "Yes" if it liquidated, terminated, dissolved, ceased operations, or engaged in a **significant disposition of net assets** during the year. See the Instructions to Schedule N (Liquidation, Termination, Dissolution or Significant Disposition of Assets) for definitions and explanations of these terms and transactions or events. Organizations that answer "Yes" to either of these questions must also check the box on line 2 of Part I and complete Schedule N, Part I or II.

**Lines 33 through 35. Schedule R related organizations and controlled entities.** The organization is required to report on Schedule R (Related Organizations and Unrelated Partnerships) certain information regarding ownership or control of, and transactions with, its **disregarded entities** and tax-exempt and taxable **related organizations**. Any organization that answers "Yes" to line 33 or 34 must list its **disregarded entities** and **related organizations** on Schedule R and provide specified information regarding such organizations. Any organization that is a **controlling organization under section 512(b)(13)** with respect to a **controlled entity** must answer "Yes" to line 35 and report transfers to or from the **controlled entity**. See the Glossary and the Instructions to Schedule R for definitions of these terms.

**Line 36. Transfers by charitable organization to exempt non-charitable organizations.** Section 501(c)(3) organizations and 4947(a)(1) trusts must answer "Yes" or "No" to the question in line 36. All other organizations are to leave this line blank and go to line 37. See the Glossary and the Instructions to Schedule R (Related Organizations and Unrelated Partnerships) for the types of transfers required to be reported on Schedule R, Part V, line 2.

**Line 37. Conduct of substantial activities through an unrelated partnership.** Answer "Yes" if at any time during the year the organization conducted more than 5 percent of its

activities, measured by gross revenue or **total assets** of the organization, through an **unrelated organization** that is taxed as a partnership for federal income tax purposes. The organization must answer "Yes" if either the 5 percent gross revenue test or the 5 percent total assets test is satisfied. The 5 percent test is applied on a partnership by partnership basis, although direct ownership by the organization and indirect ownership through disregarded or tiered entities is aggregated for this purpose. The organization need not report in Schedule R, Part VI either (1) the conduct of activities through an organization treated as a taxable or tax-exempt corporation for federal income tax purposes, or (2) unrelated partnerships that meet both of the following conditions:

1. 95% or more of the filing organization's gross revenue from the partnership for the partnership's tax year ending with or within the organization's tax year is described in sections 512(b)(1)-(3) and (5), such as interest, dividends, royalties, rents, and capital gains (including unrelated debt-financed income); and
2. The primary purpose of the filing organization's investment in the partnership is the production of income or appreciation of property and not the conduct of a 501(c)(3) charitable activity such as program-related investing.